

NEXT15

FINAL RESULTS – APRIL 2ND, 2019

FINANCIAL SUMMARY

- Revenue up **14%** to £224.1m (2018: £196.8m)
- Organic* revenue growth of **6.4%** (UK organic growth of 15.5%)
- Adjusted** EBITDA up **21%** to £41.7m (2018: £34.4m)
- Adjusted operating profit margin up to **16.5%** from 15.3%
- Adjusted pre tax profits up **23%** to £36.0m (2018: £29.3m)
- Dividends up **20%** to 7.56p (2018: 6.3p)
- Net debt of **£5.2m** (2018: £11.6m)

*Excludes the impact of currency changes, acquisitions and disposals











** Excludes the impact of acquisition related costs including share based payment charges, amortisation and certain other non-recurring items

CORPORATE PROGRESS

- Investments include the acquisitions of Bandwidth, Technical, Activate and Planning-inc
- UK net revenues grew organically by 15.5% to £83.5m with margin up to 24.5% thanks to acquisitions and operational improvements
- US net revenues grew organically by 2.8% to £117.9m with margin of 18.7%
- Text 100 and Bite merged to form Archetype, Connections Media merged into Outcast, and MBO of Vrge
- Key client wins include Capital One, Pearson and Beiersdorf
- Maintain a positive outlook for the business as a whole

OUR AGENCIES

- To aid shareholder's understanding of the Group's performance, we have enhanced our disclosure to include reporting by operational segment

<p>← Archetype</p> <p>← M BOOTH</p> <p> marketing communications</p> <p></p> <p>← The OutCast Agency</p>	<p></p> <p></p> <p></p> <p></p>	<p></p> <p>beyond</p> <p></p> <p>ELVIS</p> <p>ODD</p> <p></p> <p></p>
<p>Brand Marketing</p>	<p>Data and Analytics</p>	<p>Creative Technology</p>
<p>Net revenue: £133.2m Organic growth: 0.1% Operating profit: £29.6m</p>	<p>Net revenue: £23.2m Organic growth: 30.6% Operating profit: £7.2m</p>	<p>Net revenue: £67.7m Organic growth: 17.0% Operating profit: £9.5m</p>

OUR BUSINESS

Brand Strategy
Content Marketing
Public Relations
Financial Comms
Corporate Comms

Market Research
Brand Tracking
Data Science
Campaign Analysis
Behavioral Analytics

App Development
Software Platforms
Community Management
Digital Strategy

Brand Marketing

Data and Analytics

Creative Technology

facebook

Google

amazon.com



RBS

IBM

Argos

Google

TESCO

facebook



OUR FIVE YEAR AMBITIONS

- In the last five years we have grown the net revenues from £109.2m to £224.1m. We anticipate similar growth over the next five years
- Make all our companies best in class
- Create new \$100m innovation business

Innovation

Brand Marketing

Data and Analytics

Creative Technology

FINANCIALS

INCOME STATEMENT – ADJ. RESULTS

£M	2019	2018	GROWTH %
Net revenue	224.1	196.8	14%
EBITDA	41.7	34.4	21%
Operating profit	37.0	30.0	23%
Operating margin	16.5%	15.3%	
PBT	36.0	29.3	23%
Tax	(7.2)	(5.9)	
Minorities	(0.6)	(0.6)	
Retained profit	28.2	22.8	24%
Diluted EPS (p)	33.1	27.8	19%
Dividend	7.56	6.30	20%

OPERATIONAL BREAKDOWN

Operation	Net revenue 2019 £M	Organic growth	Operating Profit £M	Margin 2019	Margin 2018	Comments
BRAND MARKETING	133.2	0.1%	29.6	22.2%	20.4%	Excluding Text 100 organic growth is 3.9% and margin is 26.2%
DATA AND ANALYTICS	23.2	30.6%	7.2	30.9%	25.3%	
CREATIVE TECHNOLOGY	67.7	17.0%	9.5	14.0%	16.5%	
HEAD OFFICE	-	-	(9.3)	-	-	
Total	224.1	6.4%	37.0	16.5%	15.3%	

CASH FLOW STATEMENT

£M	2019	2018
Inflow from op activities	37.2	33.1
Working capital	1.2	(4.2)
Net inflow from operations	38.4	28.9
Tax	(6.2)	(4.3)
Net capex	(8.0)	(4.2)
Acquisitions	(29.6)	(15.4)
Net interest and dividends paid	(7.5)	(6.4)
Net proceeds from share placing	19.5	-
Exchange gain on net debt	(0.2)	1.2
Decrease / (Increase) in net debt	6.4	(0.2)
Net debt closing	5.2	11.6

CASH COMMITMENTS

31 Jan 2019
£M

FY 2020	6.3
FY 2021	8.9
FY 2022	4.5
FY 2023	4.3
FY 2024	2.6
FY 2025	4.2
Total	30.8

OUTLOOK

- The Group continues to focus on building its data, analytics and technology capabilities and ensuring these are embedded throughout the Group
- Current trading is in line with management's expectations and the Group is confident of another significant increase in profitability

CONCLUSION

Summary of the results:

- Net revenue up 14% to £224.1m
- Organic revenue growth of 6.4%
- Adjusted EBITDA up 21% at £41.7m
- Adjusted pre tax profits up 23% to £36.0m
- Dividend up 20% to 7.56p
- Adjusted EPS increase of 19% to 33.1p

APPENDICES

MANAGEMENT TEAM



Richard Eyre CBE
(Chairman)

Richard was appointed in 2011 and has 43 years' experience across the media and marketing industries, including time as CEO of ITV Network LTD and CEO of Capital Radio plc. He was a board member at the Guardian Media Group plc, Grant Thornton LLP and Results International LLP. He is Chairman of the UK Internet Advertising Bureau and the Media Trust.

In 2013, he was awarded the Mackintosh Medal for outstanding personal and public service to advertising and in 2014 was awarded a CBE for services to advertising and the media.



Tim Dyson
(CEO)

Tim joined the Group in 1984 and became CEO in 1992. As an early pioneer of tech PR, he worked on major corporate and product campaigns with such companies as Cisco, Microsoft, IBM, Sun and Intel. Tim moved from London to set up the Group's first US business and is now based in Palo Alto.

Tim has served on advisory boards of a number of emerging technology companies. Tim was named an Emerging Power Player by PR Week US and was also recognised on the Holmes Report's In2's Innovator 25, which recognises individuals who have contributed ideas that set the bar for the industry.



Peter Harris
(CFO)

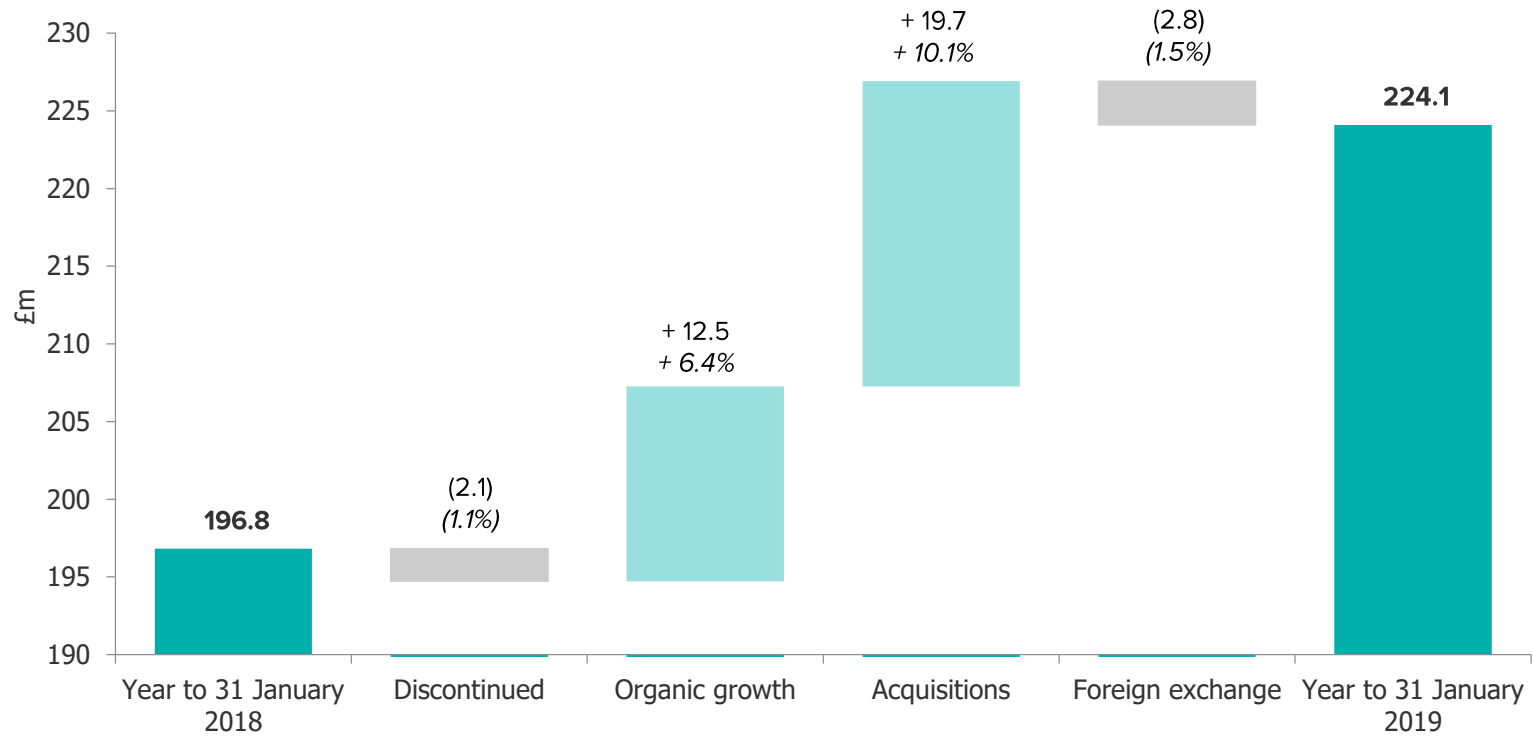
Peter joined the Group as its CFO in 2013. Peter's financial experience spans 30 years and he has extensive media experience.

From July 2013 until December 2018, he was a Non-Executive Director of Communis plc and Chairman of its Audit Committee. He was previously the Interim FD at Centaur Media plc, Interim CFO of Bell Pottinger LLP, CFO of the Engine Group, and CFO of 19 Entertainment. Prior to that, he was Group FD of Capital Radio plc.

TOP 20 CUSTOMERS



FY19 REVENUE BRIDGE



CLIENT ANALYSIS FY19

£112k

REVENUE PER EMPLOYEE

57

CLIENTS GENERATING OVER
\$1M IN NET REVENUES 2019

32%

SHARE OF GROUP NET
REVENUES FROM TOP 20
CLIENTS

22%

INCREASE IN
CLIENT NUMBERS
(INCL ACQ)

14

TOP 20 CLIENTS IN 2019 IN
TOP 20 CLIENTS 2018

90%

NET REVENUES
GENERATED IN US
AND UK

12 MONTHS TO JAN 2019 EXCEPT WHERE STATED

CLIENT ANALYSIS FY18

£111k

REVENUE PER EMPLOYEE

44

CLIENTS GENERATING OVER
\$1M IN NET REVENUES 2018

32%

SHARE OF GROUP NET
REVENUES FROM TOP 20
CLIENTS

5%

INCREASE IN
CLIENT NUMBERS
(INCL ACQ)

16

TOP 20 CLIENTS IN 2018 IN
TOP 20 CLIENTS 2017

89%

NET REVENUES
GENERATED IN US
AND UK

12 MONTHS TO JAN 2018 EXCEPT WHERE STATED

ADJUSTMENTS BREAKDOWN

£M	2019	2018
Adjusted pre tax profits	36.0	29.3
Restructuring	(4.4)	(1.7)
Office moves	(0.2)	(0.5)
Deal costs	(0.6)	(0.5)
Share based payments	(2.1)	(3.1)
Unwinding of discount and change in estimate of earnout liabilities	(0.9)	(3.2)
Amortisation of acquired intangibles	(9.0)	(7.0)
Reported profit before tax	18.8	13.3

REGIONAL BREAKDOWN

Regions	Net revenue 2019 £M	Organic growth	Operating Profit £M	Margin 2019	Margin 2018	Comments
US	117.9	2.8%	22.1	18.7%	20.0%	Excluding Text 100 organic growth is 6.2% and margin is 19.9%
UK	83.5	15.5%	20.5	24.5%	22.3%	
APAC	13.9	(2.1%)	2.2	15.9%	13.6%	
EMEA	8.8	7.3%	1.5	17.2%	9.6%	
HEAD OFFICE	-	-	(9.3)	-	-	
Total	224.1	6.4%	37.0	16.5%	15.3%	

BALANCE SHEET SUMMARY

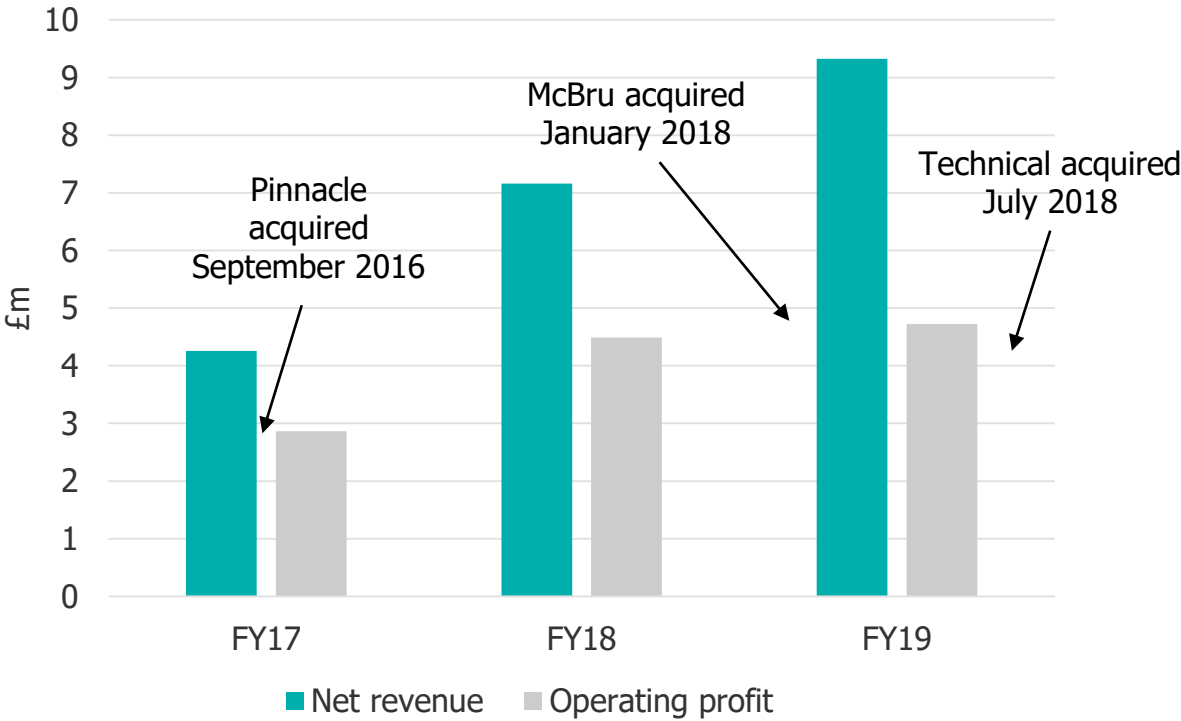
£M	31 January 2019	31 January 2018
Intangible assets	126.1	94.8
Non-current assets	29.0	25.3
Current assets	87.4	74.6
Non-current liabilities	(54.4)	(58.8)
Current liabilities	(76.6)	(59.6)
Net assets	111.5	76.3
Share capital	2.1	1.9
Reserves	110.5	75.0
Minorities	(1.1)	(0.6)
Total equity	111.5	76.3
Net debt	5.2	11.6

OPERATIONAL BREAKDOWN (2018)

Operation	Net revenue 2018 £M	Organic growth	Operating Profit £M	Margin 2018	Comments
BRAND MARKETING	134.7	1.0%	27.5	20.4%	
DATA AND ANALYTICS	13.9	48.5%	3.5	25.3%	
CREATIVE TECHNOLOGY	48.2	12.2%	7.9	16.5%	
HEAD OFFICE	-	-	(8.9)	-	
Total	196.8	5.2%	30.0	15.3%	

EXAMPLE OF ORGANIC GROWTH POST ACQUISITION

- Publitek acquired in March 2016
- Since this date organic net revenue growth has been on average 8%



BRANDWIDTH

- UK based digital innovation agency acquired in February 2018
- Clients include Toyota, Royal Caribbean, Citroen, Kia and Vodafone
- Brings significant digital skills to the Group and exciting voice technology capabilities
- Initial consideration of £6.2m based on a multiple of 5.5 on the adjusted EBIT with further consideration payable based on future performance

TECHNICAL

- A specialist technical content and digital marketing business focused on the industrial engineering sector acquired in July 2018 which now trades as Publitek
- Clients include National Instruments, HIMA and Atlas Copco and services them from offices in the UK, Germany and Singapore
- Initial consideration of £2.2m with deferred consideration of £0.6m payable in April 2020
- Maximum total expected consideration of £3.6m represents a 5x multiple on Technical's average adjusted EBIT performance over the last 3 years ending 31 March 2018

ACTIVATE

- A US based B2B demand generation specialist focused on technology clients acquired in November 2018
- Clients include IBM, Dell and VMWare
- Initial consideration of \$9m with a top-up payment due in 2019 of up to \$2.25m dependent on performance in the 9 months post acquisition
- There is an earn-out which will be payable each year based on average profit performance and a multiple dependent on margin and compound revenue growth post acquisition
- Total consideration cap for the deal of \$48m

PLANNING-INC

- A UK based predictive analytics and data marketing business acquired in January 2019
- Clients include Argos, M&S, Halfords and Sony
- Initial consideration of £6.3m with a top-up payment due based on 2018 performance
- Further consideration is due in April 2021 and April 2023 based on EBIT performance